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5 Attorneys for ASR Constructors, Inc., a California corporation,
6 Another Meridian Company, LLC, a California limited liability
7 and Inland Machinery, Inc., a California corporation,
the Debtors and Debtors in Possession

FILED & ENTERED

DEC 09 2014

CLERK'S BANKRUPTCY COURT
Central District of California
BY francisc DEPUTY CLERK

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9 **UNITED STATES BANKRUPTCY COURT**
10 **CENTRAL DISTRICT OF CALIFORNIA, RIVERSIDE DIVISION**

11 In re

Case No. 6:13-bk-25794-MH
Chapter 11

12 **ASR CONSTRUCTORS, Inc.,**
13 **a California corporation,**

Jointly Administered with:
Case No. 6:13-bk-27529-MH
Case No. 6:13-bk-27532-MH

14 Debtor.

**ORDER AUTHORIZING THE DEBTOR
TO:**

- (1) **CONDUCT AN AUCTION
SALE OF ASSETS OF THE ESTATE
(MACHINERY AND EQUIPMENT)
FREE AND CLEAR OF LIENS
PURSUANT TO BANKRUPTCY
CODE SECTION 363(b) AND (f);**
- (2) **EMPLOY AUCTIONEER AND PAY
COMPENSATION TO THE
AUCTIONEER;**
- (3) **AND GRANTING RELATED
RELIEF**

19 In re

Hearing Date:

Date: December 9, 2014
Time: 2:00 p.m.
Place: Courtroom 303
3420 Twelfth Street
Riverside, California

20 **INLAND MACHINERY, INC., a**
21 **California corporation,**

22 Debtor.

23 **Affects:**

- All Debtors.
- ASR Constructors, Inc.
- Another Meridian Company, LLC
- Inland Machinery, Inc.

1 The *Motion for an Order Authorizing the Debtor to: (1) Conduct an Auction Sale of*
2 *Assets of the Estate (Machinery and Equipment) Free and Clear of Liens Pursuant to Bankruptcy*
3 *Code Section 363(b) and (f); (2) Employ Auctioneer and Pay Compensation to the Auctioneer;*
4 *and (3) Granting Related Relief* (“Auction Motion”) (docket 387) filed by Inland Machinery,
5 Inc. (“Inland”), one of three affiliated companies which include ASR Constructors, Inc. a
6 California corporation and Another Meridian Company, LLC, a California limited liability
7 company, each a debtor and debtor in possession (collectively the “Debtors”), came on for
8 hearing on December 9, 2014 before the Honorable Mark Houle, United States Bankruptcy
9 Judge, presiding.

10 Inland appeared by Shulman Hodges & Bastian LLP by Ryan D. O’Dea. Other
11 appearances are reflected in the record of the Court.

12 The Court having read and considered the Auction Motion, the Declarations of Alan
13 Regotti and Zac Dalton annexed to the Auction Motion, the arguments of counsel made and the
14 evidence proffered or adduced at the hearing on the Auction Motion and the entire records of
15 these jointly administered cases, and the Court having found that proper notice of the Auction
16 Motion has been given under the circumstances of this case, and good cause appearing, it is
17 hereby

18 **ORDERED** as follows:

19 1. The Auction Motion is granted.

20 2. Inland is authorized to employ Ritchie Bros. Auctioneers (America) Inc.
21 (“Auctioneer”) to coordinate and auction the sale of Inland’s assets generally described as rental
22 machinery and equipment (collectively the “Assets”) no longer needed in the operation of
23 Inland’s machinery and equipment rental business including, but not limited to, the items listed
24 in the Declaration of Alan Regotti (“Regotti Declaration”) annexed to the Auction Motion.

25 3. In the event that it is determined that any of the Assets are not owned by Inland,
26 such non-owned items shall not be sold.

27 4. The Auction Contract attached as Exhibit 1 to the Regotti Declaration is
28 approved. Inland is authorized to enter into the Auction Contract and is authorized to pay the

1 Auctioneer's compensation pursuant to the terms of the Auction Contract. Inland is authorized
2 to use the proceeds of the auction sale to make Court approved disbursements to the Auctioneer
3 pursuant to the terms of the Auction Contract. Following payment of the Auctioneer's
4 compensation, the net auction proceeds shall be held by the Debtor in a segregated account
5 subject to the liens and cash collateral agreements with Federal Insurance Company ("Federal")
6 and Berkley Regional Insurance Company ("Berkley").

7 5. The auction sale of the Assets shall be conducted free and clear of any and all
8 liens, encumbrances, claims and/or interests (collectively, the "Liens and Encumbrances")
9 impacting the Assets, with all such Liens and Encumbrances upon the sold Assets to be
10 unconditionally released, discharged and terminated, and with any Liens and Encumbrances not
11 resolved or satisfied through the sale to attach only to the proceeds of the transaction with the
12 same priority, validity, force and effect as they existed with respect to the sold Assets before the
13 closing of the auction sale pending further Court order or agreement with the parties. Without
14 limiting the foregoing, the following liens of record shall be treated as follows:

<u>Creditor</u>	<u>Lien Description</u>	<u>Treatment of Lien Through the Sale</u>
Federal	UCC-1 Filing No. 12-7339143518 filed 11/28/12; Amendment No. 13-73536425 filed 3/22/13; Amendment No. 13-73522998 filed 3/15/13; Amendment No. 13-73517704 filed 3/11/13 and Amendment No. 13-73513989 filed 3/6/13	Pursuant to Bankruptcy Code section 363(f)(2) this lien will be released, discharged and terminated at the close of escrow and the Assets will be sold free and clear of this lien and the lien will attach to the sale proceeds, if any, in the same validity and priority as existed prior to the sale.
Berkley	UCC-1 Filing No. 13-7366919227 filed 6/26/2013	Pursuant to Bankruptcy Code section 363(f)(2) this lien will be released, discharged and terminated at the close of escrow and the Assets will be sold free and clear of this lien and the lien will attach to the sale proceeds, if any, in the same validity and priority as existed prior to the sale.

<u>Creditor</u>	<u>Lien Description</u>	<u>Treatment of Lien Through the Sale</u>
Riverside County Treasurer and Tax Collector	Proof of claim against Inland asserting a secured claim of \$63,639.66. Tax lien recorded on 11/6/2013, document number 2013-0527072	Pursuant to Bankruptcy Code sections 363(f)(1) and 363(f)(4) this lien will be released, discharged and terminated at the close of escrow and the Assets will be sold free and clear of this lien and the lien will attach to the sale proceeds, if any, in the same validity and priority as existed prior to the sale.

6. With respect to any Assets sold that are subject to secured or other interests, Inland's rights to seek to surcharge the costs the Estate may have incurred in the maintenance of the secured or other party's collateral as well as with the preservation and liquidation of such collateral under Bankruptcy Code Section 506(c) are hereby reserved.

7. The fourteen day stay of this Order as provided by Federal Rules of Bankruptcy Procedure 6004(h) and 6006(d), or any other applicable rules, shall not apply and absent judicial imposition of a stay of this Order pending appeal, this Order is effective immediately and Inland may immediately consummate the actions that are approved this Order.

8. Once Inland determines its remaining machinery and equipment ("Remaining Equipment") not included in the current auction sale is no longer necessary for its business operations, Inland is authorized to conduct a further auction sale of the Remaining Equipment ("Further Auction"), with such Further Auction to be conducted at a later date to be determined but under the same terms and conditions of this Order for the current auction sale including the employment Ritchie Bros. Auctioneers (America) Inc. as Inland's auctioneer and entering into an auction contract in the same form as the Auction Contract attached as Exhibit 1 to the Regotti Declaration.

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Date: December 9, 2014



Mark Houle
United States Bankruptcy Judge